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Address of the

Hon. JOHN SHARP WILLIAMS

At Dinner of the Committee on Tariff Reform
of the Reform Club in the
City of New York.

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MR. WILLIAMS' ADDRESS.

MR. PRESIDENT AND GENTLEMEN OF THE TARIFF REFORM CLUB AND FELLOW GUESTS—I am so in the habit of fighting in the minority and being left to pick up my weapons all of a sudden as best I can that I am a little put out by finding myself unanimously endorsed. I have been so long of the opinion that a minority was right and a majority wrong that I begin to suspect my audience because of its applause.

I am sure, Mr. President and Gentlemen, that you have all listened with understanding and appreciation to the paper which has just been read you. Governor Douglas need not apologize upon the ground that he is no public speaker. He is a very good public writer, whether he is or not a public speaker. He needed not to apologize upon the ground that he is not a politician. That is his misfortune and not his fault. Now, Gentlemen, I am a politician. For many years I have had no private business, and as long as the people of Mississippi permit it I will continue to have no private business. Although the word politician, owing to the fact that a real statesmanlike consideration of the public welfare has given way in America to an infinitesimal and selfish consideration of special welfare here and there, has sunk into a term of reproach, it ought not to be a term of reproach anywhere among any free people. If your politicians are a bad lot it is your own fault and it is the fault of the system under which they live.

I am rather proud of the fact that I devote what little energy and attention I am master of to the public business. I believe that the noblest occupation of any man is the "Public Affair," to use a translation of the old Roman phrase.

I can look, or hope I can, at a question like this absolutely devoid of all personal interest. I try to do it, at any rate. And looking upon it from that standpoint I believe and have long believed that the chief thing to be considered in connection with protectionism is its immorality. By the way, I do not call it protection, because it is really favoritism, and the word "protection" is too sacred a word to be devoted to the expression of any idea except the idea of protecting all or the greatest number of all. I call it protectionism, then, that is favoritism for some, strutting in the disguise of protection to all. I have long since arrived at the conclusion, as I began to say, that the chief thing to be considered in connection with the question of protectionism is its moral aspect. It is not only immoral in itself, teaching the dogma that you have a right, or that it is at any rate permissible, to prostitute the revenue powers of the government to the increase of the revenue of the individual, that you have a right to make the public business subordinate to private advancement, that you have a right to levy toll upon the commerce of all in order to build up and

hothouse a few—it is not only immoral in itself because it teaches the dogma that it is the duty of government to support and make prosperous the individual rather than the opposite truth that it is the duty of the individual to support an honest and effective government, but it is suggestive of all other sorts of immorality.

Once plant in the mind of an honest man the idea that you have a right so to mould the public legislation as to put money in his pocket or to put money in the pockets of his friends or his constituents or his section through tariff legislation, and you have armed him with the idea that you have a right to put money into his pocket or the pockets of his friends or his henchmen or his constituents or his section by any other sort of public action, or exercise of a public function.

Where is the line of demarcation between the code of morality of the man who believes that he has a right to tax all in order that some may be hothouseed into otherwise unnatural prosperity, and the code of morality of him who believes that he has a right to mould an ordinance of the City of New York so as to put money into the pockets of his crowd—his gang? And where is the line of demarcation between the man who takes the second position and the man who, equally trustee, although a trustee not in connection with all the public as an officeholder, but in connection with the stockholders of a particular corporation as a member of a board of directors or as president or treasurer of that corporation, comes to the conviction that he has a right so to use the trust funds committed to his charge as to enrich the syndicate, corporation or company in which he is interested or in which his friends are interested, or to enrich himself?

I was interested in the reading of these letters. Mr. Cleveland expresses an idea and Mr. Watterson expresses also an idea which has been much more eloquently expressed by another and equally great Democrat, Mr. W. J. Bryan, and that idea is this, and it ought to be emblazoned as a slogan upon the banners of the anti-protectionist in the next election, to wit, that the tariff is not only the mother of trusts, but the mother of graft. If not the mother of both, it is, at any rate, the nurse of both.

Governor Douglas told you that he was especially inimical to that portion of the tariff which enabled our pampered and well-fed combinations to charge more to the home consumer than to the foreigner for goods made in the same factory, out of the same material, with the same labor and shipped upon the same day. They not only do that, but the railroads help them do it, because it is a notorious fact that the latter will take a shipment of steel rails or plates for a ship or of anything else and bill it to New York at a lower rate, provided it is so fixed that after it gets to New York it shall go abroad, than they will charge for the same shipment if it is to stop at New York.

Our friends the enemy—and they are our friends—I always love that phrase of old General Lee, when he spoke of the opposite side, even when they were belching cannon at his headquarters, as “our friends the enemy.” But he added: “Our friends the enemy must be dislodged.” The man that can raise himself high enough to see that if you can just get to the other fellow’s reason, he is probably

just as honest as you are and will probably come to the same conclusion, should be loved by all. "Our friends the enemy," or rather the lieutenants of our friends the enemy, upon the floor of the House of Representatives began by denying that any such system as that to which Governor Douglas referred existed. They said there might be here and there an isolated case, but it was a case of "dumping," or it was a case of "getting rid of a surplus." Then they demanded proof. One of them stood, as I said, upon the floor "like Ajax defying the lightning," and when the lightning came he first crouched, and then ran away. We spent about two days furnishing him with the proof. There will be no further question about the proof. Then when we got through with that, first one and then another rose and said: "Why, of course it is true; our colleague was mistaken; it is a habit of business, it is a principle of business," and according to the eloquent young gentleman from Indiana, Mr. Landis, all correct business is based upon the idea of charging more at home than abroad; of fleecing people here and of selling cheap abroad and of recouping by fleecing here, and then that great archangel of protectionism—because we are told that even Lucifer was an archangel once upon a time—Mr. Dalzell of Pennsylvania made a long speech in which he undertook to prove that the system of robbery of the home consumer was not only permissive, but that it was righteous and fair, a thing to be encouraged, and that the American people ought to be thankful that they were permitted to keep the manufacturer employed all the time at their expense in order that Englishmen and Germans and Austrians might get goods cheaper than the people of the United States.

After he got through with that there came out a little editorial in the "Washington Post" which I shall read to you. It shows how much more political sense very frequently an editor has than a politician or a statesman, even, as the Honorable Dalzell, of course, is. Nobody could have been as long in public life—as long as he has been—unless he was more than a mere politician and had mounted up to the footstool of statesmanship at any rate.

The editorial is headed "Dalzell Is Not Afraid." He had been afraid until the proof had been furnished, but after the proof was furnished then he took on that sort of courage which we all take on when we are back to the wall and have got to fight. He had been told, as the balance of them had been told, that they must do one of two things—either put an end to this system or defend this system—that it would not do to avoid it and deny it and tell stories about it any more. I hope you notice that I use the words "tell stories." I do not indulge in White House language.

It is headed "Dalzell Is Not Afraid." It reads: "Mr. Dalzell is right—this policy of our protected manufacturers selling their wares abroad cheaper than they are sold to domestic consumers must either be defended or abandoned. Mr. Dalzell defends it, and his plea is forceful and plausible. He not only admits the truth of it, but he approves of it and glories in it. Protected in the home market by practically prohibitive duties, levied for the manufactur-

ers, and not for the Treasury, our manufacturers are prosperous beyond computation, at the expense of the balance of the community, and could afford to burn their 'surplus,' or throw it in the horse pond, and still make millions. The proposal to burn cotton at the South to enhance the price of what remained is identical in principle with the policy of dumping surplus manufacturers upon the neutral markets of the world regardless of what they will fetch."

Now, this is the euphemistic way of stating it resorted to by the "Washington Post"—"What they will fetch." When you examine into it you will find that our manufacturers are by no means regardless of "what they will fetch" in the foreign markets. They are always very careful that "they will fetch" a reasonable profit, plus the cost of manufacture, plus the cost of transportation to the foreigner, and they have not been convicted in a single instance of having been fools enough to burn their surplus, or to sell it at or below cost.

I continue to read: "One or two phases of the question Mr. Dalzell ignored"—and from here on I desire your special attention—"But the country will demand their discussion—would there be any surplus if the protected goods were sold in the home market as cheaply as they might be sold and yet leave ample profit to the manufacturer?"

That is worth thinking about. I undertook to call the attention of the House to it, but not in that concise, brief and forceful way. There is never a surplus of anything on the surface of this earth at some price or other. It may now and then happen that for a short time there is a surplus at a price above the cost of production, but that seldom happens, nor happens long. It very seldom happens, taking the whole world over, that there is what is called an "over-production" of anything. Humanity has never seen the time yet when it had a plenty to wear and a plenty to eat and a plenty to drink and a plenty to read and a plenty to look at and a plenty to hear. There has never been a time when it was surfeited with music or with literature or with cotton or with wheat or with opera dancing or with any other one thing that humanity wants. There have been many times when humanity has been surfeited with all of that at the price that it could be bought at, but when this happens it is always in a limited area and for a very limited time.

Now, if there be a surplus of railroad iron in the United States—let us take that, because that is one of the things in connection with which we are furnished the most abundant and conclusive proof of the carrying on of this system—if there be a surplus of steel rails in the American market left over from what can be sold at \$28 a ton, would there be a surplus if it was reduced to \$25 a ton or to \$23 a ton? Would there be any doubt about the fact that there would not be a surplus if they were reduced to the price at which these same manufacturers were selling them to England and Manchuria and Egypt and Asia Minor at the time that they were selling them to us at \$28, to wit, \$21 a ton?

But to go on with this editorial, because it speaks better than I can:

"Cheapness makes consumption. Fifteen years ago an orange sold for a quarter of a dollar at Cleveland, Ohio. Perhaps there were not half a dozen in the whole town, and there were men and women there, past middle life, who had never tasted an orange, and many of them had never seen one. Now you can buy a cart-load of better oranges in Cleveland at a cent apiece. Thus, cheapness makes consumption, and if the protected manufacturer will only put up with a fair profit, the American consumer will soon absorb his 'surplus.'"

Now, think of what benefit that will be to the manufacturer. He is so incommoded, be-deviled and harassed by this "surplus" that if you and I can just dispose of it for him we can both be happy, you and I, because we can get more of the good things in this world that we want or need, and he because the volume of his business will be immensely extended, and it is a principle of business that one would rather extend the volume of the business at a lesser profit than to keep a very small business at an extortionate profit.

"But here is another thing some impertinent chap is certain to ask Mr. Dalzell"—now, I like that language. You do not appreciate it as I do, but a fellow who gets upon the floor of the House of Representatives and asks stand-patters questions, and who, if he merely wants to ask for information, shows a certain degree of bias against this idea of selling cheap abroad and recouping at home, is always regarded as "an impertinent chap," and that description is very "opprobrious," as an old friend of mine in Mississippi expresses it.

"Some impertinent chap is certain to ask Mr. Dalzell—why not sell that 'surplus' to the American consumer as cheaply as it is sold to the foreign consumer? Why not save all the trouble and expense of shipping it abroad? Be sure the American market will absorb the 'surplus' whenever it is offered in the American market on as favorable terms as it is sold in foreign markets, where the 'surplus' is now consumed.

"And so this matter opens up a field of disputation broad and expansive. The tariff has many missions—to encourage infant industries"—that is one—"to afford a home market, to protect labor, to stimulate domestic competition, to fry fat"—that is another, and the chief one—"and to these we must now add another office—the tariff *is an institution by the operation of which the American consumer is required to hire the American manufacturer to sell a foreigner goods at a lower price than he sells the same wares to the American consumer.*"

"There is your issue, Mr. Dalzell. On that the stand-patters must go to the country and they will be fortunate if they do not wake up some morning, early in November, 1906, and realize that they postponed too long their 'campaign of education.' It is going to take a heap of education." I like that old Southern phrase—"a heap of education to make the thing go down."

Now, gentlemen, it is a pleasure to me to stand on the other side of the Chairman—even that far from the gentleman from Massachusetts who has just addressed you. I come from a part of the country which

is to-day the most prosperous part not of the United States alone, but of the whole world, if you measure prosperity by increase in the last decade in manufactures, commerce and agriculture—all three—as well as in facilities for transportation in the way of increase of railroad mileage. It happens that I come from a country, the entire prosperity of which depends upon one thing—cotton—and when that one thing is down in price we have an awful time, and when that one thing is up we have a magnificent time, and no man has yet been born, not even a stand-patter—think of that—fool enough to say that Mississippi's prosperity depends upon a tariff.

The tariff does not do but one thing with my people. After we have sold our cotton, if we have accompanied it to Liverpool, or to Havre or somewhere else, and have brought back the proceeds in the shape of a cotton gin, in the shape of plows, a mower for our grass, clothing for ourselves and our laborers, shoes for all of us, hats, a cradle or two and a coffin, the tariff would make us pay toll out of each of these commodities of necessity from infancy to death, to the government, subtracting from our cotton receipt a certain part of it.

I have no objection to that if the government gets it and if the government needs it. I have no sort of sympathy with any man that does not believe in an effective government, a government with revenue enough to do the right thing, a government with revenue enough for home development, a government, whether national or State, strong enough to take care of life and limb and property, to protect the public health and to protect the public morals, to increase and deepen the water facilities of the country, and to do everything that is a part of proper governmental function, and when the agents of the government meet me as I land in your great city here on my way back from Liverpool with the proceeds of my cotton crop in my pocket, and say to me: "Here! we want so much out of these shoes for the government, we want so much out of this clothing for the government, we want so much out of this other thing for the government." I respond: "Gladly, willingly, proudly. It is my government; it is my duty to support it; I am glad to give it to you." But when the government goes a step further and says: "I want so much out of these shoes for Mr. Douglas, I want so much out of these hides for a tanner, I want so much out of this steel for the Carnegie Company, I want so much out of these plows for Avery & Company, I want so much of this mower for McCormick, and I want so much out of this cotton gin for whoever in the mischief is running the cotton gin business now"—I do not know exactly who—then I say: "Stop, stop. Let him get his own money by his own exertion, by the sweat of his own brow, by the exercise of his own intellect, by constant, assiduous attention to business and by those moral habits of frugality and industry which lead to business success—that is the way I got mine." "You have a right to take what you choose, you have a right to take every dollar of my property down to the very last nickel if it is necessary to support the national independence, to maintain domestic tranquillity, to secure the blessings of liberty to me and to my posterity, you have a right to take my person, my life, send me to the front, bare my chest to the

bullets and to have me give up all that God gave me for the country, but you have not a right to take a single penny for McCormick, nor for Avery, nor for anybody else."

This shoe, Governor, has been pinching Mississippi a long time, and you will excuse me for a certain selfish degree of gratification in a realization of the fact that the shoe is now pinching Massachusetts. And it is not only a shoe made of leather that is pinching Massachusetts—it is a shoe made of iron and steel. When the Massachusetts man wants to put up an apartment house or when a Massachusetts county wants to erect a bridge, or when a Massachusetts merchant wants to pay freight upon a railroad, or has bought the steel to lay the tracks, it is not only a leather shoe, it is an iron shoe, it is a steel shoe. It is also a shipping shoe.

Remember the great old times when New England furnished us the shipping of the world, almost—not of the world, either, that is extravagant—but when the sails that were over New England ships whitened the seas of most of the world. What is the reason we are not furnishing steel ships to-day as we used to furnish wooden ships? How did we loose the shipping business? Because of a revolution in the article out of which ships were made, in the first place. As long as they were made out of lumber, we furnished ship's lumber cheaper, and we put it together with the most effective labor. We could build Baltimore clippers and New England schooners and fishing smacks and send them all over the world. And then there came a time when the world began to build ships out of iron and then out of steel, and for a long time England could undermake and undersell us in both these respects. To-day she cannot. Mr. Schwab himself is authority for that, and he not only says that we can make steel cheaper than Great Britain can to-day, but he says that our cheapening of it will go on and on, whereas the cheapening cannot go on in Great Britain, but steel must from day to day and from year to year cost more in Great Britain. Why does the "shipping shoe" pinch New England to-day? It is because the great companies that control the steel manufacture glory in the fact that they are selling to the Clyde itself plates for ships cheaper than they are selling them to the Delaware or the San Francisco or the New York or the Norfolk yards. So that is the shipping shoe that pinches.

Then I think perhaps it is a woolen shoe, to a certain extent, that is pinching you and me too, and then I think there is a home builders' shoe that is pinching you and me both.

Here the other day I inserted in the "Record," by the way, a speech made by an officer of the National Building Loan Association, a Mr. Laubischer, which will be valuable campaign material for people who are already fathers of families or young men who are contemplating undertaking that sort of burden under this sort of government in a few years.

Once when our national President, our national volcano, was erupting with the truth of things, in his earlier days when he was writing a book, he said in substance, this—Mr. Roosevelt did—that anybody could have a protective system who was willing to pay

for it; that it always cost something, and the question to determine was whether it came to more than it cost or cost more than it came to, and that if people wanted it, of course, they had a right to have it "to their hearts' content." Now I am rather of the opinion that some of them have got it to their hearts' content about now. I hope so, at any rate.

The late President McKinley just before he died seemed to have seen the handwriting on the wall, and but for his unfortunate taking off, we certainly would have approached a freer system of trade through its handmaiden, reciprocity—certainly with Canada and with Mexico, and probably with some other countries. Blaine saw it—far-sighted old fellow—in his time. Both saw that "the period of exclusion had passed," that the time had come when nobody could contend that the thing did not cost more than it came to.

This tariff reform question has many phases to it. You may argue from a Republican standpoint to Republicans that there ought to be a revision and reduction, that at least the excrescences ought to be pruned off, at least the injustices ought to go, at least there ought to be a reduction on those things which we export, because the very fact that we do habitually export them is proof that even from the protectionist's standpoint there is no longer need for "protection," if it were even right to have it when the need exists, and if it were not class favoritism as it is.

I read, for example, from an Iowa platform, "that a tariff for revenue is indispensable"—a tariff for revenue—and of course it is—and "should be so adjusted as not to become prejudicial to the industrial interest of any class or section of the country while securing to our home products fair competition with foreign capital and labor."

"Fair competition with foreign capital and labor" means that foreign capital and labor shall have fair competition with us, because there cannot be competition on one side without competition on the other.

I read from the Iowa platform of 1877, "We favor a wisely adjusted tariff for revenue," and from the platform of 1878, "We favor a wisely adjusted tariff for revenue," and from the platform of 1879, "We favor a wisely adjusted tariff for revenue." I am not reading these except to prove that this insane stand-pat position of the Republican party to-day, this idea that a tariff schedule is to be worshipped and held by as if it were an image in the Holy of Holies of the National Temple is a late thing.

By the way, we hear much now of the Iowa idea and the Massachusetts idea, together, both being talked about and emphasized. They are but fair samples of the ideas that are growing everywhere. We are returning gradually to sanity.

Now, Mr. President, somebody said—I have forgotten who it was, but my friend Warner is a good hand at remembering who said things, and I expect he will remember—but somebody said at some time, that if the question of the location of the equator had ever been a party question, or if anybody had ever had a pocketbook interest

in it, it would not be settled yet—and that is true—and were it not for the pocketbook interest of people in this question of protectionism, it would not stand argument two weeks amongst any intelligent people anywhere upon the surface of this globe.

But unfortunately for us it is a trait of humanity that wherever there is an existing profitable wrong there is always a plausible claim of a vested right in the profits of the wrong. We had an amusing instance of that upon the floor when we came to a poor little bill doing away with duties between us and the Philippines, which was intended to demonstrate to the world that even if we had gone into the miserable Crown Colony business, we were at least capable of going into it upon a comparatively enlightened scale. We intended to show that we were not like Spain, who exploited her colonies until they were, in the wisdom of God, taken away from her, for the benefit of her home people, but that we were like Great Britain—not as Great Britain originally was, but as she was after we taught her the lesson—and believed in ruling our colonies in such a way that their interests should be consulted as well as our own, that we believed in the principle that wherever the flag of the Republic floated—not arguing for the present whether it ought to have floated there or ought now to float there or not—wherever the flag of the Republic floats there should be equal burdens and equal privileges. And when we came to that, what did we find? Why, lo and behold, a lot of people who had been raising sugar beets arose and immediately began to emit a volume of sound to this effect:

“The Government of the United States has no right to let sugar be taken into our markets, from the Philippines?” “Why?” “Because the Government of the United States put a tariff on sugar”—over one hundred per cent., by the way, on some of the sugar schedules—“and by doing that it let us into the business, and we have got a vested right to the sugar business, and the Government of the United States ought not to ‘break faith’ with us by letting the Filipino sugar in.”

I say amusing, because there was the poor Filipino out yonder on the other side of the sphere, with a water buffalo for motive power and a crude crooked stick for a plow raising sugar in competition with the most intelligent agricultural labor in the world in our Western States where they are raising beets, and in competition with the most intelligent labor directors and organizers in the world, the planters of Louisiana and Texas—the most superb organizers that the world ever saw, Southern planters.

The same cry was raised about rice, when we are raising rice with machinery that these people know nothing in the world about, and could not handle even if they knew anything about it.

These Western farmers and Southern planters have the amusing appearance of being scared to death by the fancied competition of a naked, ignorant, and generally thriftless Filipino.

The consequence of all this is that whenever you come to the tariff question, you have got to have a campaign of education. I do not care how often you have been over the ground, by the time you

have got to go over it again, people have forgotten not the schedules, but they have forgotten the fundamental principles of the controversy. Your work must be *de novo*.

Now, gentlemen, what I want to impress upon you more than anything is this, that when you start this crusade over again, do it as if no man in America had ever heard one word of what you are talking about. Begin with the primer, and by the way, talking about beginning with the primer, no man has ever written more clearly than Bastiat on the sophisms of the protectionists, and so little attention has been paid lately in America to this subject that I had the utmost difficulty in getting from Putnam & Sons, perhaps the very last copy of that book, which is for sale in English in the United States to-day.

One of the first things that this club ought to do is to republish that Bastiat's "Sophisms of Protection," and to disseminate it at forty or fifty cents a copy, in paper backs all over the United States, so that people may go back to the fundamental principles of what constitutes wealth, what constitutes the worth of labor, what constitutes the inconsistencies of protectionist argument.

This question has many phases. Coming over here to-day I hardly knew what to talk to you about, whether about special schedules or general principles or both. As I said a moment ago, I think even protectionists might agree that we ought to reduce the duty upon the goods which we export. I think that anybody outside of a lunatic asylum might agree that we ought to reduce the duties upon goods which we not only export, but sell cheaper abroad than at home.

Now, the phrases "narrow review" and "broad review" have been much in the public mind and upon public lips lately. If you went even as far as honest protectionists might be willing consistently to go, it would not be a "narrow review," but a fairly "broad review." It would go to the steel schedule, it would go to the glass schedule, it would affect hides, wire nails and barbed wire, agricultural implements, kerosene and the things made out of kerosene, bituminous coal, products made out of copper, it would affect watches, as my friend Rainey has demonstrated upon the floor of the House, it would affect boots and shoes and harness, as my friend, Governor Douglas, has illustrated to-night.

I might have talked about any of these, or I might talk about the absurdities of some of the administrative features of the tariff law. There is no man better fitted to do that, by the way, than one who is now in your midst, Mr. Gibson. Some of the absurdities I will mention briefly. One is that ever luminous decision which pronounced frogs' legs to be dressed poultry because somebody up about the Canadian border was raising frogs for importation in the United States. Another one that was called to my attention by Mr. Gibson was a decision which declared one of these little piano tuning hammers with a little bit of a piece of felt on the end of it to keep it from hurting the keys when tuning up the piano, to be "woolens partially manufactured."

Another very remarkable administrative decision was that which fooled the farmers down in Texas and elsewhere. "Hides" had a duty of fifteen per cent. put on them in order to bribe the farmer vote. But when the Bureau chiefs came to administer on that schedule of the tariff they said that evidently Congress meant to use the word "hides" in the sense in which the trade used it, and nothing was a hide that did not weigh over twenty-five pounds. And so they did not levy any duties except upon hides weighing over twenty-five pounds, and as the packers get the heavy cattle and sell their hides, the packers get all the duty, and the sort of a cow that is killed upon the farm out in Texas or Mississippi, where the hide weighs less than twenty-five pounds, is subject to the competition of the entire world.

I do not want to take up your time with that. I might if I chose, talk about some of the absurd inconsistencies of Republican argument. A few of them I will mention. The Republicans tell us that it is necessary to have a protective tariff in order to make American wages higher than they are abroad, and then in the next breath they tell us that *because* American wages *are* already higher than they are abroad it is necessary to have a tariff in order to enable American capital to compete with foreign capital. They must take one side of that or the other. If they say that tariff accounts for our wages they cannot in the next breath say that our wages account for the necessity of our tariff. They must give us some sort of "a chance," as the boys say, "for our white alley," and not attempt to ride two horses in both directions at the same time.

Another curious thing they say is this, that the object of a tariff is to shut out from competition with our home producer the products of the pauper labor of Europe, and then in the next breath they claim that the immense increase of importations into the United States, with the result that the United States last year had larger imports than any other part of the world, is due to the tariff that was meant to cut imports off!

Then in the next breath they tell us that our great exports were due to the tariff. Three hundred and fifty odd millions, I believe, of them were cotton—by the way, lacking only twenty-one millions of accounting for the whole so-called "favorable balance of trade" that they boast about so much—called "favorable" by these people who think you are impoverished by what you buy and enriched only by what you sell. But they say our exports are due to the tariff. Let us follow that a moment.

What would the increase of our exports to Great Britain, for example, mean? It would mean that the Briton had a larger purchasing power than he had before or that there were more Britons—it would mean that Britain was more prosperous and could therefore buy more than it could before or buy the same quantity at a higher price.

And again, in the next breath they tell us that our exports are due to our tariff here. Why? Because we cut the Briton out of our market which is presumably a valuable one to him—because they tell us that it is the only market of any value to our own people—because

we cut him off from any access or from full and free access to our market, and therefore forsooth he is able to buy more of the things that we have got to sell. In other words, they take the position that you must restrict foreign commerce by restricting imports, and then when imports leap over the walls anyhow, and when exports also increase by the increased prosperity of the foreigner, they say that the result of our law intending to *restrict* foreign commerce is to *increase* it. They tell us in one breath that the home market is the only one that is worth a snap to the home producer, then in the next breath they tell us that depriving the foreigner of it enriches him.

See a few more of these things. There never was anybody in the world outside of a stand-patter, except Tittlebat Titmouse in "Ten Thousand a Year," who thought that you could "give everybody everything without taking anything from anybody."

You remember that Oily Gammon fixed up a platform for Tittlebat Titmouse to run for Parliament on, and that was his platform—he was going to introduce into Parliament "a Bill to give everybody everything without taking anything from anybody," and upon that he got elected, and when he got there he resembled these protectionists in another respect. He never got his bill through and never did much of anything else except this one thing: One night when there was a division in the House of Commons he showed that he was the most expert crower in the whole house, that he could crow "Cock-a-doodle-doo" like a rooster better than anybody else, and he crowed it so perfectly that he overwhelmed the other side. So from that day to this, from the day of Tittlebat Titmouse, the original stand-patter, down to the day of my friend Landis, and that great restrictive statesman, the Honorable John Dalzell of Pennsylvania, these men have been trying to do the two things that the original stand-patter tried to do, and in one of which he succeeded, that is, first, "to give everybody everything without taking anything away from anybody," and, second, to crow about it after they get through trying and lying.

So after they are through crowing about the increase of our foreign commerce then they begin to crow about the increase of our domestic commerce. What is domestic commerce? Intra-state and inter-state commerce. Is there any tariff between any town in New York and another? Is there any tariff between any state in the Union and another? No. So that our domestic commerce cannot be due to what does not exist, to wit, an intra-state or inter-state tariff. It must be due to what does exist, to wit, intra-state and inter-state free trade.

I will tell you what our domestic commerce is due to. It is due to the fact that we furnish a broader and wider and more varied and diversified area of absolutely untrammelled free trade than was ever presented by any nation in the history of the world, and that fact—not a tariff, but the absence of a tariff—and our size have favored us in spite of and not because of our stupid legislation with regard to foreign commerce.

Our foreign commerce is only somewhere between three and eight per cent. of our entire commerce. If conditions were reversed and our foreign commerce was greater than our home commerce, as is the case with Holland, for example, and with Belgium, and possibly with the Island of Great Britain and Scotland and Wales—if that were true—we could not have had, in spite of the tariff, the prosperity which we have had and which these people say is “because of the tariff.” I say that the fact of free trade in our own limits and our size has favored us.

Think about it—our size alone. Suppose we were no bigger than New York State, suppose New York State had a protective tariff against the iron of Pennsylvania, against the cotton goods of Massachusetts, against the raw cotton of Mississippi, against the oranges of Florida, against the wine of California, against the steel of Pennsylvania, how long do you think New York would last at it?

We have been favored chiefly by our size and the fact that within our own borders, luckily for us, we could make steel, raise cotton and raise rice and raise oranges and raise the grape to make the wine, and but for that, foolish restrictive taxation would have operated so harshly that you and I would have been steeped in poverty to-day.

Gentlemen, what does wealth mean, national wealth or individual wealth? I am going to define it, and I will defy anybody to pick a flaw in the definition as being too narrow at any rate. Wealth is the abundance of things needed when produced profitably by the application of labor to raw material in transforming products and in transporting products from the place of their least value to the place of their highest value.

Now, if that be true, how can that character of high prices which is engendered by a tariff be conducive to the growth of a people in wealth? What does the tariff do? It restricts importation. That is its object, its intent and its effect whenever it does not fail of its object and its intent. Sometimes it restricts by prohibiting absolutely, sometimes by cutting off the volume of importation. How does it enable the home producer to get a higher price? By keeping him out of competition with the foreign products—in other words by keeping the country from having an abundance of the things which the country wants and which the country needs—in other words, the peculiar source of the sort of high price which a tariff can produce and which is the only sort of high price that it can produce, is a high price resulting from restriction of supply. A high price owing to an increased demand as a result of an increased purchasing power on the part of buyers is a blessing to humanity, but the only sort of high price that the tariff can produce is the high price occasioned by scarcity, comparative scarcity, restriction of access, restriction of the connection between the maker and the consumer, the seller and the buyer. If wealth be abundance, then scarcity is poverty, and every step that tends towards scarcity is a step tending towards poverty—it may be a step overcome by your natural advantages—free land, cheap land, varied soil, diversified climate and production—everything of that sort. Every step that tends

towards abundance tends towards wealth, and every step that tends towards scarcity tends towards poverty.

Another of the fallacies of these gentlemen; they speak all the time about how the tariff helps "our American industries." That is the fallacy of confusing *some* with *all*. The tariff does help *some* of our American industries, but how? At the expense of all the others. Tittlebat Titmouse thought that you could give everybody everything without taking anything from anybody, but then Tittlebat Titmouse, by the confession of the author who created him, was a fool.

Government is not an independent entity; it has no independent sources of revenue; every dollar that comes into the government till comes from some man's pocket, and every dollar that misses the government till by having undergone the same process of taxation that it would have undergone if it had gone to the government till, is also a dollar coming out of somebody's pocket. It is a mathematical problem that what you give to one by legal favoritism, you absolutely must take from another.

When you say to protectionists: You are legislating for special interests and special welfare and not "for the general welfare or for the common defence"—to go back to words of the Constitution—they say "Yes, but it is to the general welfare to create national wealth, and a tariff creates national wealth." This is one of the great fallacies. Let us examine that a minute.

In a certain sense wealth cannot be created at all, because God creates the thing that you operate on, whatever it is, wood or ore or stone; but in another sense wealth is created by labor profitably employed upon raw material. Now, can a tariff create either raw material or labor? Can a tariff create wealth? No. Human laws cannot do that. What a tariff can do and what it can do only is this: It can induce capital and laborers to leave some forms of human employment and go into other forms of human employment. And from what sort of business into what sort of business? Why, from a naturally profitable business into a naturally unprofitable business. Why do I say that? Because if it would go of its own accord without legislation from one to the other, it would be proof of the reverse, to wit, that the employment into which it had transferred itself was naturally profitable—even more profitable than the industry deserted.

The only excuse for the tariff at all—when it picks out you as an iron master or me as a cotton manufacturer or somebody else as a mowing machine maker—the only excuse for it in the world is that without the tariff that man could not make his goods at a profit.

Labor is not wealth. Bastiat illustrated that very well in the dialogue between Robinson Crusoe and his man Friday. They were at work with their dull hatchets making a plank, hewing it out of a log, when a plank came floating to the shore, the free gift of God, because all accident or what we call accident is from God, and this poor, benighted heathen, Friday, said: "Let us quit making this plank and get that floating out there; it is a better plank than we can make anyhow; it is just exactly what we want." And Robinson

Crusoe, the enlightened, educated, up-to-date stand-patter and protectionist, said: "No, don't touch that plank; if you do we are deprived of our labor in making this plank."

Labor is not wealth. Labor profitably employed is wealth. Then you answer, "But then the labor employed in something which the tariff makes prosperous is profitably employed." It is not. The laborer may get a good wage, the man who furnishes the capital may get a good dividend, it may be profitable to both of *them*, but labor is not profitably employed at that sort of work, because there is a loss by its misdirection and because *somebody* has got to pay the loss and if the man who is doing the work as a laborer does not lose it, and if the man who furnishes the capital does not lose it, then the general public has got to lose it—in other words to pay it, and therefore that labor is not profitably employed when the whole people are considered. That is another fallacy of protectionism.

Of course, there are other fallacies cognate with it. They say it "gives employment to labor." The tariff cannot create wealth and cannot give employment to labor. It can induce capital to go out of one employment into another, and it can induce labor to go out of one occupation into another.

The central fallacies, then, and I want you to remember them, are these: First, the stand-patters teach us that transference is creation—remember that—that to transfer capital or labor from one thing to another is to create it. Then they tell us labor is wealth, which is not true, and then in the next place they tell us that "some are all."

When I talk about these things, somebody says, "Oh, well, that is all old." Of course it is as old as Adam Smith—and, by the way, people would be better off these days, I think, if they would be as old as Adam Smith—it is as old as John Stuart Mill, as old as Bastiat, it is as old as the first man that ever had common sense and thought about these things without any selfish interests of his own to bias his judgment.

Now for a word of encouragement. We never yet in this country lost a fight while the tariff was actually the only or the chief issue. 1828, 1832, 1842, 1890 and 1892 are instances—and although it was not the chief issue, it was one of the chief issues in 1876, when we elected Mr. Tilden. Whenever we have lost even where we were advocating a reduction or reform of the tariff it was because some other great issue, then and there pressing and impending, overshadowed the tariff issue, as was the case in 1896, and as was the case in 1900 and 1904.

In 1896 what overshadowed it was the fear—ill-grounded in my opinion then and now—but I have recognized it as an accomplished fact, just like I have recognized the results of the war—there is no more fooling with it now—of the silver issue, and the idea in the public mind—I think it was erroneous—that defeated us in the last election was that the Democratic administration, if it went in, would be a representative of the combinations and trusts of the country.

The Chairman has well said that we shall go into this fight united. I do not care under whose banner we go now if he be only an honest man. I want him to be an honest man and I want him to be a Democrat. Excuse me for that last utterance, because this is not a partisan meeting. But since I have said it I will say this further, that I do not mean a so-called Radical Democrat, for some of them are so close to the Populists I do not know the difference, and I do not mean a so-called Conservative Democrat, for some of them are so close to the Republicans that I do not know the difference. I mean a Democrat, a man who has mastered the theories upon which fundamentally lie our objections to this very system of protectionism, namely, that there must be a government under which all the sons and daughters of the Republic shall bear equal governmental burdens and shall have equal legislative privileges, and that no man shall be legislatively boosted into a new prosperity or an increased prosperity at the expense of other men, and that it is a right principle of government to protect life and limb and property and health and morals, to educate the children for other generations, to secure the muniments of liberty for us and our posterity, and that it is not the function of government to support or boost anybody.

I have been criticised because I said upon the floor that I would rather live under a system where I was taxed directly upon my mule and my cotton and my land, and where the money thus taken out of my pocket was put in the treasury and doled out weekly as a stipend to everybody in the United States who receives less than what you call "an American standard of wage"—that I would rather live under that system than live under a system whereby, by indirect taxation, that same property of mine was taken and turned over in hourly and weekly and yearly stipends to men who had not even the poor excuse of needing it more than I—who could buy of me and of my neighbors, all that I own and all that my neighbors own, and sell it at a loss of fifty per cent. and keep at it without bankruptcy for fifty years. I repeat again—I don't want either of them—I do not want the old Roman Republican idea of "bread and circuses" for the proletariat, for the commune, for the needy, for the poor; I do not want it because I think it would sap manhood and undermine independence and teach citizens the wrong lessons, but I would rather have it than to have a system whereby I am robbed without the excuse of another man's necessities in a method so indirect and insidious that I cannot even tell how much I am robbed of. I would rather have the bread and circuses and the direct tax because then I would know how much I had paid and I would know who got it, and I would know that the man in whose name the tax was levied really did get it, to wit, the laborer, to wit, the needy, to wit, the poor. And I repeat again, criticise it all they please, that I would rather be taxed directly in order to furnish bread and circuses to the poor than to be taxed indirectly in order to furnish turtle soup, champagne and French opera to millionaires.

That brings me to the next objection to protectionism—to the socialistic standpoint. It is not only socialistic in itself but it is sug-

gestive of further socialism. Go out here in your own city to-day—I know some little about it. The spirit is growing, the very spirit of bread and circuses, and unless you abolish this system it will continue to grow and it ought to grow. You teach a man that indirect state socialism is a correct principle of government and it is only one step to his concluding that therefore direct state socialism is a correct principle of government, and what quarrel have you a right to have with him if you have taught him the first lesson. An anti-protectionist can stand up and argue with him, but no protectionist that ever lived can, because the very theory underlying his system is that he must take from the naturally profitable pursuit in order to make naturally unprofitable pursuits legislatively profitable.

Then when the man comes to you and says: "I don't get but fifty cents a day and I cannot live on it; government must pay me a dollar." What is your reply to him? Suppose you say: "It is not the business of government." What is his reply? He says: "You make my living cost me so much more that the fifty cents that would take care of me cannot take care of me now—rent, food, transportation, clothing, everything—you have made it cost that by your system."

Or he will say, "The time was when I could live on \$2 a day or \$2.50; the time is now when I need \$5 to buy exactly the same things. Why? Because you have taxed what I buy so that it costs me either directly by tax upon the thing itself or by tax on some of the raw material that enters into it too much to buy what I need and live."

But after all, all these things about inconsistencies and absurdities of schedules and administration are mere fringe and embroidery. The thing down to the heart and bottom of which you have got to go, and that you have to plant in the hearts of the people is the fact that this thing is wrong—that is, it is all wrong if the American system of government and American institutions are right. There is another great big question outside of that, of course, as to whether American institutions are right or not; that we are not discussing now.

One other thing; now, gentlemen, before you argue any question, it is like building a house—you have got to get rid of some rubbish on the lot. There are a few conscious and deliberate misstatements of historical facts that have got to be met. Now, I did not say lies. I am not even yet indulging in Chief Executive language. One of these misstatements is that the panic of 1893 and 1894 was under a Democratic tariff. That is a deliberate and conscious misstatement of fact, or else it is made by some man of such crass ignorance that he will not even take the trouble to find out what he has not mental capacity enough to remember if he is a man of any age.

The other day upon the floor of the House pictures were produced of Coxey's army in Washington on May 12, 1894. My friend from New York, Mr. Warner, and I were in Washington then. Coxey's army was there on that day, the day of that photograph. The McKinley tariff was in operation, and it did not go out of operation until August 17th of that year, three months afterward, and the worst days of the panic preceded Coxey's coming to Washington—August,

September, October and November of the year 1893. And not only that, but before Cleveland even took his seat, upon February 2, 1893, Secretary Foster had already given orders to prepare the plates to issue bonds which were foreseen by him to be inevitable as necessary to maintain the gold reserve. Not only that, but through the courtesy of some of his friends, he had procured gold for greenbacks to stave things off. Why was he doing that? Why had he issued the orders for the plates to print the bonds? Why, because nearly every dollar of revenue that was coming into the treasury was coming in the shape of silver and every dollar that was going out was going in the shape of gold, and it was not to meet a deficit, but it was to keep up the gold reserve in the treasury. Whenever any man tells you about panic and the Wilson-Gorman bill, just tell him you want to be polite, but that his statement is not true.

Another thing. They say that Republican legislation and the Dingley Bill "brought back prosperity" to the country. Why, gentlemen, that is so far from being true that if prosperity had not, in a measure, already come back, especially to the agricultural classes in the West, as my friend Mr. Rainey here knows, Mr. McKinley never would have been elected.

I heard a Republican say once that wheat went up because McKinley was elected. It is false. McKinley was elected because wheat went up. Wheat went up from forty-eight cents to seventy during that campaign, and in that last two months the entire character of that campaign was changed and Mr. Bryan was defeated and Mr. McKinley was elected because prosperity had returned to the farmer in the West. These people told us then that the panic was all due to lack of confidence in the money of the country, and I have come to think myself that it was due very largely to that fact.

Another thing they tell you, and then I shall finish; that these periods of prosperity always come under Republican tariffs. Whenever they tell you that remind them of the fact that there was a Republican tariff in 1867 and a panic, in 1873 and a panic, in 1877 and a panic, in 1893 and a panic, and there were Black Fridays and Molly Maguires and Homestead strikes enough, God knows.

The truth is that the panic of 1893 was the legacy of Republican extravagance and misgovernment and bad legislation, both financial and fiscal, and we as a party came in in time to reap a part of the harvest. The trouble had been long coming, and the people had really turned the Republican party out because they had attributed the trouble in its incipency to them. It was not due to tariff at all.

I am not talking to you now as a Democrat, but because these people say always that it was protection that brought back prosperity, and it was the free trade Gorman-Wilson Bill that caused the panic though passed the year after the panic began, and some little time after it had passed its worst stage. Free trade tariff—the Wilson-Gorman Bill—great heavens, it makes the heart of an old Congressman in the Fifty-third Congress, such as we two, Mr. Warner and I are, bleed almost to hear that miserable abortion called a free trade tariff. It was not a revenue tariff even, but it was the highest protective tariff

this country ever saw, except the McKinley Bill and the Dingley Bill. As it passed the House it was Democratic and anti-protectionist. It fell into the hands of traitors in the Senate of the United States. The bill as it left the House was a very good bill.

Then they say that low tariff periods are periods of depression. Remind them of the tariff of 1803, when the grand old Father of Democracy went into the Presidential seat, down to 1815; again from 1842 to 1860, and especially from 1850 to 1860, when our percentage of increase in railroads and in manufactures and in agriculture were all larger than in any decade since that time. Remind them of 1884 to 1888 and contrast that time with the period from 1888 to 1892. This period from 1850 to 1860, with its unexampled increase in all these things that I have mentioned, greater than the increase in the last decade, you must remember, was amidst and despite the mutterings of civil war, when business was unsteady through fear of war between the states.

Gentlemen, one other thing and I am through. With cessation of railroad rebates, one form of law-permitted favoritism, and with cessation of protectionism, another form of law-enacted favoritism, trusts in the sense in which we ordinarily use the word, must go. They cannot be built upon anything except favoritism, and if any can exist after favoritism is destroyed, it will be because some man is so much wiser and so much better as a business man than other men that he deserves to have the success he gets.

People have talked about our retaliating against foreigners. I believe in a maximum and a minimum tariff. I believe in making your minimum tariff the tariff for revenue without regard to any man's private business, except such regard as men of common sense must have for existing conditions. I do not believe in toppling over a whole wrong system even, all at once, because a great many of the people who would be buried under the debris are people who are not to be blamed for the system under which they live.

We must go gradually towards this tariff-for-revenue-only goal. We must leave object lessons behind us as we go, which will encourage our successors to go further and further.

With this minimum tariff I would have a maximum tariff, and I would give the benefit of the minimum tariff to every country in the world that would give us its minimum rate, and I would apply the maximum rate only to those who show their unfriendliness by not giving us their minimum rate.

I have talked longer than I ought to have talked, but thinking that you had called me here for the purpose of starting the good fight, or helping to start the good fight, with Governor Douglas and my friend Rainey and others, it has seemed to me that perhaps I would be excused for taking up a little more of your time than I ordinarily would have taken.



